G. R. S. IX-5]

Previous references.

G7 File No. 67-21

1921.

Serial Nos /

G. 7.)

Later references.

42 263 28 1/42

G.F. 91-24-1.

G.F. 111-25-1/2.

G.F. 68-26-1/2.

Preserve
Jmm
6-11-23

GENERAL AND REVENUE SECRETARIAT

Preserved

Serial Nos. /

Part B for November 1921

SUBJECT.

Procedure to be adopted in the Conversion of and accounting for sterling transactions.

To

260/E

The Comptroller — 7(2757-80)
" Director of Stats — 22-11-21
" L. E. E.
" Cotton Head & Wells
" Secy to Govt

Prescribes certain procedure from 1.7.21

WD 1888—GPB—16,926—28-7-21

2.12
23.11.21.

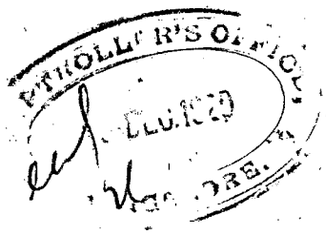
9643

WTT
1693 D/16.12.20.

G.R.S. III—3]

Routine Notes.

[To be used only for notes, requisitions, etc., not intended for permanent record.]



Note.

I herewith send the Chief Electrical Engineer's letter in regard to the rate of exchange and the proposed reply to it for favour of ~~the~~ Comptroller's remarks. If the procedure proposed in the draft can be improved or simplified in any way, ~~the~~ suggestions therefor are invited. Arrangements will have to be made to give effect to the procedure adopted for accounting for ~~the~~ differences between the initial fixed conversion at the rate and the final conversion at the average actual rate. Conversion at the fluctuating market rates will be inconvenient and I have therefore proposed to adopt the average rate of actual remittances for each year.

13th December 1920.

Mcall
13-12-

Comptroller

N.B. -Should routine notes be written on small slips, the notes must be copied, or slips pasted on this form.

Draft Reply.

S i r,

I am directed to acknowledge receipt of your letter No.7103 dated 10th December 1920, regarding the ~~Gain on~~ Rate of Exchange.

2. The present abnormal conditions of exchange doubtless result, as you state, in unduly overstating or understating the sterling revenue and expenditure of your department if converted at the uniform rate of 2s. If, as the Government of India ~~expect to~~ they expect succeed in keeping the exchange value of the rupee stabilised at about a particular rate, the market oscillations around such rate from time to time will be minor and it does not matter if the fixed rate is adopted in making up the accounts of any department in respect of its sterling transactions. As, however, the variations that are now occurring in the Exchange market are very wide, it is not right in the case of Commercial departments like the Electrical Department to adopt the uniform rate of 2 shillings and exhibit the difference due to the remittance of the sterling balance from London to India at a rate much different from the fixed rate under a head unconnected with the departments to which the remitted funds belong. In these circumstances it is necessary to allow commercial departments to draw up their administrative accounts based upon sterling transactions at the average rate of exchange at which remittances are actually made in a year. During the course of the year however, it will not be possible to adopt the varying rates and the

transactions may therefore be booked in the first instance at the fixed rate of 2 shilling the rupee. After the end of the year the average rate of exchange at which remittances --- have actually been made in it will be calculated by the Comptroller and advised to the departments concerned. So far as the capital transactions are concerned the necessary adjustments will be made under the respective capital heads for applying the correction due to the difference between the fixed rate and the annual actual rate at which the sterling balance has been converted into rupees. In the case of the sterling revenue receipts of the ~~same~~ departments such difference may be brought in their administrative accounts as a separate entry for showing the silver yield of the sterling revenue at its proper amount. In the Comptroller's books the revenue will be shown under the heads concerned at the fixed rate and the difference due to the average rate ~~will appear~~ under the heads under ~~such departments~~ differences will be accounted for -

As regards shares of scholarships to be disbursed in India, I am to state that the --- question of exchange does not arise if they are is fixed in rupees. For all payments in India whether on account of scholarships or otherwise it is best to specify the amount in rupees. As regards payments to be made to the families of scholarship holders out of ~~the~~ sterling --- amounts received by them it is not clear why such payments should be made through Government. If however there are any cases in which such payments have to be arranged for by Government and the scholarship holders pay the amount to Government in ster-

GOVERNMENT OF MYSORE.

ELECTRICAL DEPARTMENT.

IN REF REFER TO No. 7103 ENCLO.

Telegraphic Address: "GOMED"

Codes Used
BENTLEY'S LIEBER'S
A. B. C. 6TH EDITION.
AND
BUSINESS TELEGRAPH CODE.

GEN & REV. SECTT. Fmil Secty 11 DEC 1920

OFFICE OF THE CHIEF ELECTRICAL ENGINEER,

Bangalore 8th December 1920.
(MYSORE, INDIA.)

Revd. 26423

The Financial Secretary
to the Government of Mysore,
BANGALORE.

Sir,

FOREIGN RATE OF EXCHANGE.

With reference to Government Order fixing the rate for the conversion of sterling transactions at 2 sh. per rupee with effect from 1st July 1919, I have the honor to state that the current rate of exchange is £.1 = Rs13-8-0. The present rate of exchange, which varies considerably, therefore allows wide divergence from the fixed rate. It will be disadvantageous to apply the fixed rate of conversion for an indefinite period. It is true that the payments made to and by us are taken at this fixed rate, but as the payments made to us are greater than the payments made by us, it results in an enormous loss of revenue to the Electrical Department. I request the favour of your opinion in the matter.

2. Scholarships to bepaid to students, undergoing training in Foreign countries, is fixed in sterling. Payments made to their families in Indian currency at their request is converted at the fixed rate of 2 sh. per rupee and deducted in the amounts due to them in sterling. This they complain is a great hardship to them. I request the favour of being informed if such payments cannot be converted at the prevailing market rate at the time.

I have the honor to be,
Sir,
Your most obedient servant,

BSI-PRN.

Offg: Chief Electrical Engineer

Serial No.

The Chief Electrical Engineer has proposed a sum of Rs 1,52,235 being transferred from the Cauvery Power Scheme Revenue to Krishnarajasagara Works in the accounts for 1919-20. The details for this amount are as follows:--

I. Power supplied in 1919-20 -- 13,020.83 H.P.
At £2 -- 13,020.83 x 2£ -- £.26,041.66.

Converted into ~~xxxxxxxx~~ Rupees.
At 2 sh. the rupee -- 2,60,417 Rs I

II. 2/5 of the difference between the net profit for 1919-20 and 1914-15 :--

Net Profit for 1919-20	= 10,47,308.
Net Profit for 1914-15	= 13,17,762
Decrease	= -2,70,454
2/5 of the decrease	= -1,08,182 ✕
Total amount transferable:-- I Plus II.	= 1,52,235.

✕ from the portion of the proposal of the method adopted by C.E.E any details when there has been increase in the supply of horse power is not correct

~~The~~ Government Order, No. Fl. 1681-4/G.F.217-16-2 dated 30th August 1919 provides for the second item being calculated at 2/5ths of the net profit from the receipts on account of power supplied to the Mines in excess of the quantity supplied on 16-7-1915. The Chief Engineer, Cauvery Valeey Irrigiation interprets tht order to mean that the net profit taken for calculation should be the net profit for the year under consideration and not the difference between the latter and the net profit for 1914-15. His interpretation seems to be correct. Calculating accordingly the 2nd item would amount to Rs 2,03,011 as detailed below:--

$$\frac{10,47,308 \times 2.524 \text{ H.P.}}{13,021 \text{ H.P.}}$$

= 2,03,011.

NOTE—Contn. sheet.

G. R. S. III-2j

General and Revenue Secretariat. | File No. of 191 .

Serial No.

Increase of Horse Power in 1919-20 over Horse Power for 1914-15 equals 13,021 Minus 10,497 that is 2,524.

Proportionate increase in net profit equals 2,03,011.

2/5ths of this ..... 81,204. II

Total of items I and II..... 2,60,417
81,204
3,41,621.

I propose to take this figure for the final accounts of 1920 and I request orders of Government in the matter.

I Satyanarayana Chetty
Comptroller.

21-12-1920.

How the increased Electrical revenue attributable to the Cauvery Reservoir Works and the Cauvery Power Scheme should be divided between these t w o concerns is a point which has already been more than once settled, but both the Irrigation and Electrical Departments have proposed to re-open the question which has been ordered to be taken up for consideration on the return of Mr. Forbes.

According to existing orders the K.R.S.Works should get the additional revenue of £ 2 per Horse Power plus 2/5ths of the net profit calculated with reference to the excess of the net profit over the

NOTE—Contn. sheet.

level

Serial No.

level in 1914-15 when the additional power due to the construction of the Reservoir began to be generated. Owing mainly to the fact that the rate of exchange in 1914-15 was 1 sh. 4 d. while that in 1919-1920 has been taken at 2 shillings, the revenue in 1919-1920 is less --- than that in 1914-15. The Electrical Department proposes to transfer 2/5ths of this decrease also to the account of the K.R.S.Reservoir. The Joint Secreta P.W.D., makes the calculation with reference to the additional power generated in 1919-20 over that i n 1914-15. For reasons stated by the Comptroller, the method proposed by the Joint Secretary, P.W.D., appea to be more reasonable and pending settlement of th e re-opened question, it may be adopted.

If the method proposed by the Electrical Department is adopted, the revenue creditable to the K.R.S. account will be Rs.1,52,235 and this poor result is likely to evoke much adverse public criticism. The amount credited to the Reservoir account in 1918-19 was Rs.3,23,697 and if the Joint Secretary's method is adopted, that creditable during 1919-20 will be Rupee 3,41,621 and there will be no large difference in t h e results of the two years.

171
24/12

First member)
Mark 21-12-20
I agree with the Fl secy.
pending receipt of the Engineer
Method based 2 Shillings
rate the exchange period : will
24th Dec 1920 the figures
should be collected & check 4/
22-12-20

TE—Contn. sheet.

152833.

G. R. S. III-2]

General and Revenue Secretariat. | File No. of 19.

Serial No. 197

CONTROLLER'S OFFICE No. 197 11 JAN. 1921 BANGALORE

Attention is invited to the answer to the same enquiry in regard to the Sandal oil factory Sterling transactions. Please see the file in the latter portion with this.

(First Member) 3/1/21

99 4/1 1!

Proposed draft Sterling Cir. amended 4-1

(Hdqrs) 5/1 2241 5/1/21

Comptr) with compliments. 7-1/C.1

18 8/1/21

03072

365 Dated 11-6-21

U.O.No.1550/Books dated 11th June 1921.

GEN & REV. SECTT. 14 JUN 1921

Please see my separate reply No.1545/Books dated 10th June 1921 to the Un-Official Note regarding the conversion of sterling realisations in England at average rates.

1683

on 11-6-21

J. Satyanarayana Rao
Comptroller.

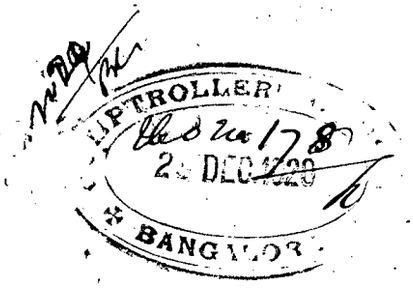
MSR/13-6

21.6.21.

Submd. Please see paper marked X in the linked file.

TSR 22/8

Note—Contn. sheet.



In continuation of D.O. note dated 13th December 1920, attention is invited to the orders of the Government of India published in the newspapers of the 20th instant relating to the adjustment of sterling transactions of that Government and Provincial Governments. Normally the position of the Government of India is that of a remitter of funds from India to London. The reverse is our normal position. What our sterling revenues realise in rupees is the material factor for us in determining the rate at which sterling transactions should be converted into rupees. When the exchange rate was stable at 1s.4d. and Councils were also being freely sold in London we were invariably remitting our sterling balances at the beginning of every month. The position has now changed and owing to violent fluctuations in the rates, our remittances are made at irregular intervals. In any case the silver equivalent realised from actual remittances should decide the rate at which sterling transactions should ultimately be brought upon our books here. It has also to be assumed that remittances would be arranged for when conditions would be favourable for doing so. On such an assumption the arrangement to adopt the rate fixed with reference to actual remittances whenever made is likely to give a better result for our sterling revenue heads which are the most concerned in the exchange question.

In view of what is stated above

I propose the following arrangement for consideration. For purposes of exchange adjustments, the heads of account may be classified under the following groups.

Debt Heads,
Capital heads,
Commercial Concerns--Revenue Account (Mining revenue may, for this purpose be brought under this group in respect of royalty ~~and~~ dividends which alone will hereafter be received in London.)
General Revenue and Service Heads ~~transactions~~

The receipts and payments as reported in the monthly accounts of Messrs. Coutts & Co may be brought upon the books at the fixed 2s rate in the first instance. When remittances of funds are made from London to India, the difference with reference to the fixed rate whether gain or loss may be brought under a suspense head opened for this purpose. After the close of the year the ~~amount~~ amount at debit or credit of the suspense exchange head may be removed by transfer to the four groups of head mentioned in the previous para, in proportion to their sterling transactions of the year. ~~The gain or loss~~ The gain or loss affecting the individual heads coming under the first three groups may be separately accounted for under them as such. That relating to the group General Revenue and Service heads may be brought under the Miscellaneous group as Gain or Loss on Exchange in one entry.

The balance with Messrs. Coutts & Co., ~~on the last day of the year~~ of the may also be converted at the average rates realised on actual remittances, and carried forward at that rate to the next year. Any difference in ~~such~~ ---
balance ~~which the~~ due to average rate ~~for the next year~~ at which it is actually remitted

~~would require~~

may, if not very large be brought under the Miscellaneous group as loss or gain.

I shall be obliged if the Comptroller will consider the above suggestion and favour me with his views as to whether it is practicable; if it can be improved upon, I shall be glad ~~for~~ Khaire his suggestion.

Bangalore,
22nd December 1920.

23/12/20

3904

The question has been further discussed with the Comptroller. It appears to us to be a much better arrangement to exhibit in the monthly accounts themselves the exact silver equivalents of sterling transactions under the respective heads. Of course, the differences in respect of ordinary revenue heads and Service Departments will be brought under one head, viz., Miscellaneous, either as gain or loss on exchange. As regards the other three classes of heads ~~xxxxxxx~~ viz., Debt Heads, Capital Heads and Commercial Heads, referred to on page 2 of the notes, the sterling transactions may be first converted at the fixed rate of 2 sh. and the results shewn under the respective heads. The exact silver equivalents, according to the market rates, may be separately calculated and shewn under an independent head called "Exchange" under each major head or the ~~corresponding~~ Concerned Capital or Debt heads. It is of course impossible to adopt the daily market rates and we may therefore base our

Serial No.

our calculations at the average of the market rates for each month. According to this arrangement, the variations due to exchange will be self-evident from a comparison of the figures under the new head proposed to be opened and the progress of revenue or expenditure under the main heads themselves can be better watched with reference to the causes in operation and without being mixed up with the results due to fluctuations in exchange. The above proposals may be verified with reference to the transactions of one month and if it requires improvement in any respect, the necessary changes may be suggested.

Forwarded to the Comptroller.

7.4.21

No.1545/Books dated 10th June 1921. E. Que.

I have had the accounts for January 1921 recast in the manner pointed out above and I annex for reference, a copy of the statement of account.

DAILY No. 4683

It will be observed from the statement that, if this arrangement is to be adopted, the number of the Commercial Departmental heads and of Capital and Debt Heads under which there are sterling transactions in any month will be doubled on account of the new exchange head to be added under each. And as the transactions have first to be posted in the books converted at the fixed rate of 2 Sh. the rupee and then the difference between the fixed and the average market rates adjusted under the heads exchange, the work relating to the compilation of the accounts pertaining to these transactions will be very much increased. To minimise work as far as possible without defeating the purpose in view, I would suggest a slight modification in the arrangements proposed. Instead of working out the average of the market rates for each month as proposed, the average for the first half of the official year may be worked out once for all before the accounts for December are finally closed. This will give the actual figures for the first six months for purposes of comparison with the Budget and for framing the Revised. Later adjustments during the second half of the year with reference to average market rates may be made monthly once in two months and quarterly according to convenience ~~with~~ or requirements in connection with the budget calendar for purposes of estimating. If this modified procedure is approved, we may bring it into force with effect from the next official year (1921-22). I solicit early orders to enable me to have the new heads opened in the abstracts to be printed for the next year.

FINANCIAL SECRETARIAT
1 JUN 1921

J. Satyanarayana
Comptroller.

MSR/10-6

3700/16/6

Jesey)

18/11.6.

W883

G. R. S. III-2]

General and Revenue Secretariat. | File No. of 19 .

Serial No. A

The comptr is requested to state why the new procedure should not be brought into force from Current year. The diff betn the fixed rate of 2 sh and the actual rate has to be adjusted once for all for this year and not periodically as suggested from the next. The Revised is based on 18 sh 6 d rate & the actuals should be based on the real Value of Sterling in silver which prevailed during the year the adjustd gain on exchange on Sterling Receipts and of loss on exchange on Sterling payments will otherwise become complex and the transactions on the 2 sh rate would widely vary from the real position.

as 2 sh & not as 18 d

21-6-21.

The comptr will kindly

GEN'L. TY. SECTT.
Fl Secty
25 JUN 1921
No. 1581 25-6-21
Records

4992

the transactions for 1920-21 will as suggested be adjusted in the accounts for June 1921

24-6-21

NOTE—Contn. sheet.

3803
27/6

15
25/6/21.

G. R. S. III-2]

D 4683 Bdes 4 Books

General and Revenue Secretariat. | File No. | of 19

Serial No.

The comptr requested to state if the adjustment could be made in June preliminary. If so the bill may not be kept open to the final accts.

AMC
18.7.21

After reply to above question is received orders have to be taken on the procedure to be followed & an answer sent to the pending letter from C&E

AMC
(8/7/21

2693

C.No.C.12-194
Dy 18/7/21
GEN & REV. SECTT.
23 JUL 1921

26-R
Comptr) To 108 Books 23-7-21
Arrangements have been made to make the adjustments in June Preliminary accounts alone.
T. Lakshmipathi Rao
22.7.21.

224/26/7

Secrs)
The procedure proposed in my Note of 23-12-20 & revised in Note of 7-4-21 may be adopted.
AMC
24-8-21
AS
5/8.

Dewan
Rev
Fin Member
P.T.O.

NOTE—Contn. sheet.

1683

G. R. S. III-2]

General and Revenue Secretariat. | File No. | of 19

Serial No.

918-185

6.8.21

DEWAN'S OFFICE
Recd. on AUG 10 1921
Reg. No. 906

The procedure suggested by the Dist. Regr in his note of 7.8.21 may be given a trial. If experience suggests modifications these may be considered & given effect to to the extent necessary.

8.8.21

15.8.21

Draft put up

760/12/9 TSR 2/8/22.

Typedraft. put up - Issue Necessary corrections in the copy.

Please see draft as altered & forwarded to the Comptr for stating if the altered procedure is suitable and easily workable

14.9.21

COMPTROLLER'S OFFICE 89 15 SEP 1921 BANG

15/9/21

TE—Contn. sheet.

W883

G. R. S. III-2]

General and Revenue Secretariat. | File No. 282 [illegible] of 19 .

Serial No.

No. 71 dated 12th October 1921.

The adoption of a statutory rate for converting sterling transactions into Indian Currency, when the difference between that rate and the prevailing market rate is wide and the prospect of the latter approaching the former is remote, does not appear to serve any useful purpose. It entails needless additional work. I therefore request sanction of Government may be obtained for adopting the following procedure.

The transactions, will, once for all, be converted at the average of telegraphic transfers in Calcutta on London for the month, which is adopted by the Government of India for conversion of their sterling transactions. This rate is calculated by the Controller of the Currency, who has arranged to intimate the rate to us regularly every month. The rate for each month is intimated before the 10th of the month following, and as we receive the London accounts only after the third week of each month, there will be no difficulty in converting the transactions once for all at the average rate.

The opening balance at the beginning of each month will also be converted at the above rate and the difference adjusted under gain or Loss on Exchange as the case may be. In the cash balance report to Government, the balance will, of course, be at the rate of the previous month.

J. Satyamurthy
Comptroller.

Very good
Please frame a revised draft as suggested
by Comptr Genl
22.10.21

NOTE—Contn. sheet.

Serial No.

Revised draft submitted

It was proposed to base our accounts on the statutory rate of 2 shillings and bring out the differences between that rate and the market rates under a separate sub-head "Exchange" to be opened under the respective major heads. In his note dated 12th October 1921, the Comptroller states that in view of the very wide -- divergence between the statutory and the market rates, there is no object in adopting the official rate in our accounts at all and he therefore proposes the adoption directly of monthly rates based upon market rates. His proposal aims at simplifying calculations as far as possible. It is a fact that the statutory rate of 2s. is not serving its real purpose of keeping approximate to the market rates. The whole outlook about exchange is extremely uncertain, and in such circumstances there is no object in our adopting the official rate of 2s. Even the -- Government of India have abandoned it in their budget calculations though they have not altered the law on the subject. For reasons stated by the

Serial No.

the Comptroller, we may convert our sterling transactions with reference to the monthly average market rates.

The Comptroller's proposal is that the average rate for any particular month as calculated and advised by the Government of India (Controller of Currency) should be adopted in the accounts for the month Concerned. According to this arrangement, the rate to be followed would not be known until about the 10th of the following month and to this arrangement Mr. Forbes, representing one of the important departments having sterling transactions Lakes raises an objection. He states that it would be inconvenient for him to follow this procedure as it would necessitate a revision of the transactions booked already as they have occurred. He would like, therefore, to have the rate to be adopted for any month to be intimated to him before the commencement of that month. Such a rate will have to be calculated some time before the end of the previous month and advised to all the officers concerned. The average rate is, after all, an arbitrary rate and instead of calculating it by taking the market rates from the 1st to the last day of any particular month, we may make a month, for this purpose, beg in on the 26th of one month and close

on

Serial No.

on the 25th of the next month. The average of the rates taken for this period, the Comptroller may intimate to the departments concerned, about the end of the previous month for adoption throughout the next month.

According to the arrangement suggested above, the silver value of the closing balance with Messrs. Coutts & Co., will vary according to the different rates adopted for the different months and as the balance taken in rupees for any month should correspond with the sterling equivalent at the average market rate adopted for it, there will arise £ differences with reference to the balance as converted for the previous month and such differences, if not very large, may be accounted for as gain or loss on exchange under the head "Miscellaneous".

To simplify the conversion, the Comptroller may be informed that the average market rate may be calculated to the nearest anna, omitting pies.

A different procedure is now in force in regard to the Sandal Oil Factory transactions. The factories are being given credit in silver for their sterling realisations at the rates current on the days of realisation. In another connection the Comptroller has pointed out the

inconvenience

Serial No.

inconvenience of this arrangement and has suggested the adoption of the Government average rate as proposed above for all sterling transactions. It is necessary that a uniform arrangement should be adopted for all departments having sterling transactions and the sandal oil factories may also be brought under the above arrangement. If, however, Sir Alfred Chatterton does not agree, his commission calculations may be based upon the daily rates. The factories should, however, follow the general arrangement so that there may be agreement between their and the Comptroller's figures.

The above arrangement may be tried until experience suggests any modification. A revised draft on the above lines is put up.

2-11-21

49
3/11

Dewan
Hon. First
member

18

NOTE.—Contn. sheet.

W2168 + 2167

B.P. 484 for key

G. R. S. III-2]

General and Revenue Secretariat. | File No. | of 19

CONTROLLER'S OFFICE 27 OCT 1921 120 BANGALORE

Serial No.	
Fl W. Ce. 51-1921 D 2681/1921	The attached D.O from C.E.E. is forwarded to the Camp for favour of opinion on the proposals made in it. 123-R. Fl W. Ce. 51 Books 4033 D/2840/21 1-11-21

The rate of 1sh. 6 3/8 is the average rate of exchange during the year 1920-21 adopted for conversion of all transactions of Messrs. Coutts & Co., as per orders. The additional amount to be adjusted under both Capital and Revenue Expenditure of the Electrical Department on account of the adoption of this rate has been advised to the Chief Electrical Engineer and if it is not adjusted in the year's accounts a large amount will be outstanding under Remittances heads. It is not also possible to readjust the transactions in the Books of this office according to the old fixed rate of 2sh. per rupee as such a procedure would result in a large loss being shown under 17 Miscellaneous - Loss on Exchange. The charges during the year mostly relate I believe to payments made in England on account of Stores purchased for the VI Installation works. Instead of showing the variations on account of exchange under each of the sub work and sub heads of works as suggested by the Chief Electrical

Serial No.

Electrical Engineer it would be better to show the total difference under a sub head 'Exchange' both under Revenue Expenditure and Capital Outlay' in proportion to the value of Stores purchased on each account. This would, I think, obviate the difficulty pointed out by the Chief Electrical Engineer.

2. Intimations on account of receipts and payments during 1920-21 have all been communicated to the Chief Electrical Engineer. I have no objection to send to the Chief Electrical Engineer a preliminary statement of receipts and expenditure in sterling on account of the Department as soon as weekly statements are received from Messrs Coutts & Co., and send a final account soon after the monthly accounts are received from them. This should serve the Chief Electrical Engineer's purposes better than asking Messrs. Coutts & Co., to send another statement to the Chief Electrical Engineer as suggested by him.

3. I have suggested in my un-official note No.71 dated 12th October 1921 that the transaction of Messrs. Coutts & Co., may be converted at the average rate for the month intimated by the Controller of Currency. This intimation will be received by about the 10th of every month and I

shall

Serial No.

shall arrange to communicate the rate at once to the Chief Electrical Engineer also.

If the suggestion of opening a head for exchange in each of the Capital and Revenue Account of Cauvery Power Scheme is permanently adopted, the Chief Electrical Engineer can adjust all transactions of each month at the latest known rate and adjust difference of any due to variation in rate by credit or debit to the Exchange head on receipt of the advice of average rate for the month.

J. Adiyanthaya Chetty
Comptroller.

Please. Both the points raised by the C. E. E have been dealt with in the notes prepared for submission and the draft orders to issue after approval.
May be linked with item 6/6.

18
1.11.24

G. R. S. III—3]

ROUTINE NOTES.

[To be used only for notes, requisitions, etc., not intended for permanent record]

Financial Secretary's remarks on the last para of Mr. Forbes' letter dated 26th October 1921.

It is not convenient to adopt in actual accounts either the Rs.12 rate or the Rs.10 rate. A general procedure is proposed in the draft order placed in the attached file.

2.11.21

Just (member)

D.

Please see draft to Mr Forbes' para

2.11.21

N. B.— Should routine notes be written on small slips, the notes must de copied, or slips pasted on this form.

W D 1880—GPB—1,50,000—2.5.21

G. R. S. III-2]

General and Revenue Secretariat.

D.2410.

File No. of 19

Serial No.

PVDI
PVDII

The Chief Electrical Engineer was accordingly consulted and the correspondence with him is put up for perusal. The Comptroller's views on the changes proposed by the Chief Electrical Engineer have also been obtained. The addition proposed by Mr. Forbes in the last para of the draft order complicates the calculation of the monthly average rate and his suggestion may be adopted later on if experience proves it to be necessary. In the meantime, the draft as originally prepared has been allowed to stand. The two other changes proposed by Mr. Forbes and agreed to by the Comptroller have been incorporated. A revised draft prepared on the above lines is put up for approval.

Dewan through I Member.

Agree 18.11.21
19.11

Draft approved by Dewan
20/11

Issue
21/11

DEWAN'S OFFICE
Recd. on NOV 19 1921
Reg. No. 2879

NOTE—Contn. sheet

GOVERNMENT OF MYSORE.

ELECTRICAL DEPARTMENT.

IN REPLY REFER TO No. 354 ENCLO.

DIARY No. 2167 — 7C

Telegraphic Address : "GOMED."

Codes Used
LIEBER'S
A. B. C. 5TH EDITION.
BUSINESS TELEGRAPH CODE.

OFFICE OF THE CHIEF ELECTRICAL ENGINEER,
(MYSORE, INDIA.)

Bangalore 20th October 1920.

Dear Mr. Satyaraj Chetty,

I have received your No.C.P.S.6 dated 15th instant, in which you intimate that the rate of exchange for the year 1920-21 has been fixed at 1sh.6-3/8d. per rupee, and I would like to point out that it will be practically impossible to calculate last year's expenditure on this new and revised basis. Of course, the revenue received in pounds sterling can very easily be calculated at this new rate, but it will entail a collasal amount of work to apply this new rate to stock purchases.

Materials purchased and paid for in 1920-21 have been received in the Stores and taken to stock at the rate of 2sh. per rupee. Some of these materials have been used on several different works in different sections of the Electrical Department and other various Government Departments and have been charged into the accounts at a value determined by the 2sh. rate of exchange, and it will be impossible to go through all of the registers and pick out all of these separate items. Even if this can be done, revised bills will have to be sent to all other Government Departments including the Palace, and all the monthly accounts of the different sections of the Electrical department for that year will have to be revised.

I would earnestly request you on account of the amount of work involved and the resultant arrears that will occur in the current year's account, that the rate of exchange on which all the accounts have been based for that year remain at 2sh. per rupee and that the new rate be applied only to the transactions for the year 1921-22.

I understand unofficially that we are going to have a new rate of exchange for each month of the current year. I think this will entail considerable additional unnecessary work, but it will be very greatly reduced, if the new rate is fixed at the beginning of the month instead of at the end of the month. If the rate fixed for the month proves too high or too low, a corresponding reduction or increase in the rate for the next month can be made. However, I would strongly recommend a fixed rate for the whole year, as I do not believe that the rate of exchange will vary more than between 1sh.3d. and 1sh.6d. This belief is based on the opinion of several people from Calcutta and Bombay, who are thoroughly familiar with the trade conditions, and they all hold the opinion that the rate of exchange will finally stabilise at the old pre-war rate of Rs.15/- to the £.

Of course, I understand that this is a very large question, but I would earnestly request you to dispose of it in such a way as will involve the least labour in maintaining the accounts up-to-date.

Yours sincerely,

T. Satyaraj Chetty, Esq., B.A.,
Comptroller to Govt.
of Mysore, Bangalore.

SGF/CSC.

Copy forwarded with compliments to the Financial Secretary to Govt. of Mysore, Bangalore, for favour of information.

Chief Electrical Engineer.

GOVERNMENT OF MYSORE.

ELECTRICAL DEPARTMENT.

IN REPLY REFER TO No. 355 ENCLO.

DIARY 2168

Telegraphic Address :
"GOMED."

Codes Used
LIEBER'S
A. B. C. 5TH EDITION.
BUSINESS TELEGRAPH CODE.

OFFICE OF THE CHIEF ELECTRICAL ENGINEER,

Bangalore 20th October 1921.

(MYSORE, INDIA.)

Dear Mr. Krishna Rao,

We have received intimation from the Comptroller tnat the rate of exchange for 1920-21 is to be based on 1sh.6-3/8d. per rupee. This involves a very great amount of work in modifying the accounts of the electrical department, if this rate is taken into account. I realise that this rate is to be applied both to revenue paid in pounds sterling as well as to purchases, but I am willing to forego the improved revenue which the Electrical department would enjoy for that year, if by so doing, I can save the tremendous amount of labour that will be involved in revising our accounts.

Our Administration Report for the year 1920-21 has been very greatly delayed on account of the non-intimation of certain payments made on our behalf and receipts for the Mining Companies' bills. I would like to suggest that Messrs. Coutts & Company be requested to send to me direct on the first day of each month a statement of receipts and payments made on behalf of the Electrical Department rather than our having to wait until we receive intimation from Coutts & Co. through the Comptroller. This statement would be received by about the 20th of each month, and in a great many cases we would have the actual payment made by the time we have received the materials in the Stores, in any case before they are issued to the Works. They could then be taken to stock and issued to the works at the correct rupee value after applying whatever rate of exchange that might have been fixed for the month.

I would also like to suggest that in case we have a rate of exchange fixed for each month during the current year, such rate be fixed at the beginning of the month rather than at the end of the month.

If these two suggestions are accepted, it would very greatly simplify our book-keeping and enable me to keep our accounts up-to-date. It will also enable me to see just what the materials are costing, which are being used on the various capital works, so that I can prevent excesses.

Yours sincerely,

M. N. Krishna Rao, Esq., B.A.,
Financial Secretary to
Govt. of H.H. the Maharaja
of Mysore,
BANGALORE.

SGF/CSC.

A. R. BANERJI, ESQ., C.I.E., I.C.S.,
MEMBER OF COUNCIL.

MEMORANDUM. No. 38

Dated 28th October 1921.

Secretariat

D.O.No.358 dated the 21st Oct. from the Chief Electrical Engineer, in regard to the question of the exchange rate, so far as ~~they~~ the transactions of the Electrical Dept: are concerned.

Forwarded with compliments to the Financial Secretary to Government for favour of remarks.

28/10

Para 1 of Mr. Forbes' letter dated 21st October 1921.— I think the adoption of the 2s. rate will badly misrepresent the position. The difference between 2s. and 1s.6 3/8 d. is very large, and the annual revenue of the department will, by the adoption of the former rate, be understated to the extent of Rs.4,99,098. It is not right to permit such wide variation. The entire sterling revenue of the Electrical Department is from the gold mines and I do not think it will involve any very great addition to work to incorporate

The Financial Secretary to Govt., with compliments.

Note.—Reply or action taken to be noted in the left margin.

A282

GOVERNMENT OF MYSORE.

ELECTRICAL DEPARTMENT

IN REPLY REFER TO No. 358 ENCLO.

DIARY No. 2252 12.

19 — 1. Section File No. Serial No.

—o—

Telegraphic Address: "GOMED"

Codes Used
BENTLEY'S LIEBER'S
A. B. C. 6TH EDITION
BUSINESS TELEGRAPH CODE

OFFICE OF THE CHIEF ELECTRICAL ENGINEER,

Bangalore 21st Oct: *192* 1.

(MYSORE, INDIA.)

Dear Mr. Banerji,

I have received intimation from the Comptroller to the effect that all payments made to and by Messrs. Coutts & Co. on behalf of the Electrical Department for the year 1920-21 are to be based on a rate of exchange of 1sh.6-3/8d. per rupee, and I would be very glad indeed if this rate could be reconsidered, as by its application to last year's accounts, the whole of the stock transactions, revenue expenditure and capital works registers will have to be completely overhauled and revised and will most probably bring practically every one of these works above the estimates and above the budget provision. All budget provision were based on the 2sh. rate of exchange.

I understand that we are going to have during the current year a rate of exchange fixed for each month, and I would earnestly request that this rate be fixed at the beginning of the month rather than at the end of the month. If this is done, we will be able to complete our monthly accounts and send them up to Government in time. But if we have to wait until the end of the month for the rate of exchange, then the accounts can only be prepared after its intimation, which will cause considerable delay in the account reaching Government.

Yours sincerely,

S. G. Forbes

A. R. Banerji, Esq.,
M.A., I.C.S., C.S.I.,
First Member of Council,
Bangalore.

SGF/CSC.

DIARY No. 2253

GOVERNMENT OF MYSORE.

ELECTRICAL DEPARTMENT

Section

File No.

IN REPLY REFER TO No. 364 ENCLO. 1

Telegraphic Address: "GOMED"

Codes Used
BENTLEY'S LIEBER'S
A. B. C. 6TH EDITION
BUSINESS TELEGRAPH CODE

OFFICE OF THE CHIEF ELECTRICAL ENGINEER,
Bangalore 21st Oct. 1921
(MYSORE, INDIA.)

Dear Mr. Banerji,

I am attaching herewith a statement showing the revenues of the Electrical Department for the first three months of this year. For the quarter the gross revenue was Rs.7,78,113 and at this rate the total revenue for the year will be Rs. 31,12,452, which compares with the total budget estimate of Rs.33 lakhs.

There will be enough additional power taken up during the year to bring the gross revenue on the basis of Rs.12 to the Soverign up to more than 33 lakhs as budgeted for.

On account of the coal strike in England last spring, the turbine and penstock manufacturers were very late in shipping out the plant we had ordered off, so late that the first turbine has only been received this month at Sivasamudram. We hope to have the new generating unit in operation by the middle or end of January next, when we will be in a position to take on approximately 2000 H.P. additional load.

I have received official notice from the Mining Companies that they have either already received and installed or in course of shipment plant to the extent of 2600 H.P., the major portion of which they want to start up by the 1st of January, but as the station at Sivasamudram has now all the load we can possibly carry, I do not hope to be able to give them more than three or four hundred H.P. before the new unit is in operation. We are doing everything we possibly can to instal this unit in the shortest time possible, and if we can get it into operation before the end of January, you may rest assured that we will do so.

I am extremely anxious to show a revenue greater than that budgeted for.

Our budget was prepared on the basis of Rs.12/- to the £, but up-to-date we have not received any orders to change from the Rs.10 rate, and I would very greatly appreciate, if you could have the Financial Department give us definite orders so as to properly calculate, not only the revenue, but expenditure in connection with the Capital Works, etc., the plant for which have to be imported. At present all of these are being charged into the accounts at Rs.10/- to the Soverign.

Yours sincerely,

A. R. Banerji, Esq.,
M.A., I.C.S., C.S.I.,
Member of Council,
BANGALORE.

GOVERNMENT OF MYSORE

Statement showing the revenue recovered in the

Particulars	Mining Companies			Mills Fac[illegible] etc.
	In Pounds Sterling	At Rs.12 per £ on the basis of the budget.	At Rs.40 per £ on the basis of accounts	
	£	Rs	Rs. (X)	Rs
SIVASAMUDRAM-KOLAR GOLD FIELD SECTION.				
July 1921.....	12,875	1,54,500	1,28,752	1,5
August 1921.....	12,728	1,52,736	1,27,279	1,3
September 1921.....	13,828	1,65,936	1,38,278	6
Total..	39,431	4,73,172	3,94,310	3,4
BANGALORE SECTION.				
July 1921.....	--	--	--	20,9
August 1921.....	--	--	--	18,0
September 1921.....	--	--	--	23,4
Total..	--	--	--	62,9
MYSORE CITY SECTION.				
July 1921.....	--	--	--	3,1
August 1921.....	--	--	--	4,0
September 1921.....	---	--	--	5,7
Total..	--	--	--	13,
GRAND TOTAL.	39,431	4,73,172	3,94,310	79,

NOTE:- The accepted bills are shown as we do no
each month to Messrs. Coutts & Co.

Bangalore,
20th October 1921
BSI-PRN

4,73172
2 17859
87082
7,78,113
4
31,12,452

+ 5263

7,83
7.55

Department during the quarter ending 30th Septr.1921.

es	Bungalow Lighting	Munici-pality	Govt. Depart-ment	Total	Total for the same period of last year	Differ-ence.	Remarks
	Rs	Rs	Rs	Rs	Rs	Rs	
					926	Loss	The rate of exchange on account of Revenue recoverable from the Mining Companies has been calculated @ £.0-2-0 per rupee
)	291	--	--	1,30,544	122,901		
)	745	449	--	1,29,802	1,124		
					127,770	"	
)	339	--	--	1,39,226	999		
					123,359	"	
)	1,376	449	--	3,99,574	377,082	22,492	
	32,856	33,606	2,809	90,178	34,874		
)	30,847	--	20,112	69,590	70,028		
)	32,231	--	2,440	58,090	44,771		
)	95,934	33,606	25,361	2,17,859	1,49,674	68,185	
)	5,992	4,210	11,384	24,728	16,827		
)	6,112	2,106	26,182	38,460	21,242		
)	6,072	2,122	9,760	23,893	12,466		
)	18,177	8,439	47,328	87,082	50,537	36,545	
	115,489	42,495	72,690	7,04,516	5,77,293	1,27,222	

get regular notices of the amounts paid

Chief Electrical Engineer
to the Govt. of Mysore.

BR 20/10/21

for grow Not providing for any increase supply during the
and with Mining Revenue Recovered @ [illegible]

D.O.No. H 2528
Enclosure - 1 draft G.O.

FINANCIAL SECRETARIAT,

Bangalore, 4th November '21.

Dear Mr. Forbes,

With reference to your letters noted in the mar-
D.O.358 dated 21st Octr.1921, } gin to the First Member of Coun
D.O.364 dated 26th Octr.1921, } cil, I am desired to state as follows:

The adoption of the 2s. rate in the accounts for 1920-21 would largely misrepresent the position. The difference between 2s. and 1s.6 3/8d. is very wide and the annual revenue of the department would, by the adoption of the former rate, be understated to the extent of nearly Rs.5 lakhs. It is not right to permit such wide variation. The entire sterling revenue of the Electrical department is from the Gold Mines and the incorporation of the difference under the heads concerned may not involve much additional work.

As stated by you, it is doubtless difficult now to revise all stock and other heads according to the new rate. I am to suggest, as a remedy, that the additional expenditure involved by the adoption of the new rate may

except

except in regard to the capital purchases of the Sixth Installation, be charged off to the revenue account under the head Miscellaneous Heads. This procedure will simplify the accounting process and avoid the difficulty pointed out by you.

As regards the general procedure to be followed in the future, I herewith send the draft of the order proposed to be issued on the subject and shall thank you for the expression of your views about it.

Yours sincerely,

S. S. Forbes, Esq., B.Sc., A.M.I.E.E., F.C.,
Chief Engineer,
Govt. of Mysore, Bangalore.

D.O. No 224/Fin. Sec.

GOVERNMENT OF MYSORE

COMPTROLLER'S OFFICE 8 NOV. 1921 BANGALORE

Financial Secretariat,

Bangalore, 7th Novr. 1921

11510

My dear Mr. Satyaraj Chetty,

Under orders, I consulted Mr. Forbes in regard to the conversion into rupees of transactions in sterling. I attach to this letter his reply to mine. I shall be obliged by your expressing your opinion on the changes suggested by him.

Yours sincerely,

T. Satyaraj Chetty, Esq., B.A.,
Comptroller to the Govt. of H.H.the
Maharaja of Mysore, Bangalore.

GOVERNMENT OF MYSORE.

ELECTRICAL DEPARTMENT.

IN REPLY REFER TO
No. 386
ENCLO. 1

Telegraphic Address :
"GOMED."

Codes Used
LIEBER'S
A. B. C. 5TH EDITION.
BUSINESS TELEGRAPH CODE.

OFFICE OF THE CHIEF ELECTRICAL ENGINEER,
(MYSORE, INDIA.)

Bangalore 5th Nov. 192 1.

Dear Mr. Krishna Rao,

With referenceto your D.O. Fl.2528 dated 4th instant, I would like to say that I agree with you that the difference between 2sh. and 1sh.6-3/8d. is too great to allow the revenue and expenditure to stand as they are on the basis of 2sh.; but what I had in mind at first was that, if the accounts are to be changed from the 2sh. basis to 1sh.6-3/8d., the change would involve going into all the stock transactions as well as revenue transactions. It is a very simple matter to change the revenue rate of exchange, but it would be extremely difficult for us to apply another rate of exchange to all the stock transactions.

I would suggest the following procedure for 1920-21: First that all the revenue received in pounds sterling be calculated at the 1sh.6-3/8d., and secondly that all payments made in sterling be calculated at the same rate of exchange and the difference between the 2sh. rate, that is, the rate at which the transactions were taken into account, be charged under a head 'Miscellaneous', and that the proper proportion of this difference applied to purchases made directly for capital works, such as the VI Installation, the motor generator set in Mysore, Bethamangala Pumping Station, etc., etc., be charged directly off to Capital.

This procedure will then not include the numerous items of foreign purchases which were made for maintenance and miscellaneous capital works. These

latter items are the ones which will entail such a large amount of work in revising all of the departmental accounts.

However, I wish to point out that even if the revised rate of exchange is applied to the Capital Works, ~~with~~ all of the estimates, which were prepared on the basis of the 2sh. rate, will be very largely exceeded and I hope that no audit objection will be taken.

With regards to the draft order attached to your (returned herewith) above note, I am in agreement, except with certain modifications, which I have written in the margin thereof.

Yours sincerely,

S.G.F.

M. N. Krishna Rao, Esq., B.A.,
Financial Secretary
to Government of Mysore,
Bangalore.

SGF/CSC.

Draft.

Proceddings of the Government of His Highness the Maharaja of Mysore.

Order No.....dated Bangalore the 1st.....

The following procedure will be -- adopted until further orders in the conversion of and accounting for sterling transactions:--

2. Receipts and payments in sterling as reported in the monthly accounts of -- Messrs. Coutts & Co., will be brought upon the books at an average rate to be calculated for each month in advance. The rate for a month will be the average of the market rates for the period commencing on the 26th of the second preceding month and closing on the 25th of the previous month. The market rates to be adopted for this purpose are those for telegraphic transfers on Bombay and the average rate should be calculated to the nearest anna, omitting -- pies. The Comptroller will advise the ~~month~~ average rate thus calculated to the departments having ~~concerned~~ sterling transactions in time to enable them to adopt it in booking their transactions from the commencement of the month to which the rate applies.

3 The variations in ~~the exhibition in~~ the rupee equivalents of sterling balances with Messrs Coutts & Co which the adoption of the varying average rates for different months necessitates will be accounted for as gain or loss under the head --

by the first day of the month to which the rate applies. (Sgd)

"Miscellaneous". If the variation in any particular case happens to be too large for being brought under the head "Miscellaneous", the Comptroller will specially report such cases for the orders of Government. The proeedure prescribed in this order will be brought into effect from 1st July, 1921.

Financial Secretary to Govt.

in any month

(x) the Comptroller will adjust the average rate for the succeeding month to compensate for the variation, provided that the larger variation does not occur in the last month of the financial year. If this occurs then it should be reported to Govt for orders

5/11/21

Ord. Vide D.O. to Govt. Forbes

Govt 17.11.21

15255

DIARY No. 9410

GOVERNMENT OF MYSORE

D. O. No. 1785/596/Books 9/3

Comptroller's Office,

Bangalore, dated 15th November 1921.

16 NOV 1921

My Dear Sir,

Your D. O. No.224 of 7th instant.

====

The difference due to the conversion of the Electrical Revenue realised in England at the average rate of 1 Sh. 6 3/8d. has been finally taken to Revenue in the Books of this office and the Chief Electrical Engineer has only to alter his accounts accordingly as he has agreed to do.

2. As regards the adjustment of the difference on the expenditure side, I presume the Chief Electrical Engineer's intention is to charge the whole difference under a new minor head "Miscellaneous" opened under Electrical Works, -Net Revenue and to transfer from this head that portion of the difference which can be directly assigned to "Capital Expenditure". There is no objection to this procedure but only such portion of the difference as cannot thus definitely be assigned to capital and which it may be very difficult to apportion among too many minor works may remain under the proposed new head. I think it however better to give a definite name to the new head and I would propose "Exchange" instead of Miscellaneous as proposed by the Chief Electrical Engineer.

3. The accounts for 1920-21 are already closed and it is not possible to include the adjustments referred to above on the expenditure side unless particulars are furnished by the Chief Electrical Engineer immediately. I shall be obliged for any assistanco which the Chief Electrical Engineer can render to me in the matter of revising the now closed accounts as early as practicable without

unduly

. D. O. No.

Comptroller's Office,

Bangalore, dated ..... *191* .

unduly altering the whole account.

4. As regards the proposed draft order, I am agreeable to the procedure contained therein and to the alteration proposed by Mr. Forbes in paras 2 and 3 thereof.

5. As the transactions of Messrs. Coutts and Co., for July to October 1921 have already been accounted for at the rates intimated by the Controller of Currency the procedure suggested in the draft order may be given effect to from the month in which the order is issued.

6. The enclosures received with your D. O. are herewith returned.

Yours sincerely,

T Satya Nay Iyer

MSR/15-11 9/3

M. N. Krishna Rao, Esq., B.A.,

Financial Secretary to the Government

of Mysore, B a n g a l o r e.

No.H 2711 /Enc.one.

17th Novr. 18

Dear Mr. Forbes,

Please refer to your D.O.No.386 of the 5th instant, regarding the conversion of sterling transactions into silver. I have adopted your alterations in the draft except that relating to the adjustment of "the average rate for the succeeding month to compensate for the variation provided that the large variation does not occur in the last month of the financial year". The application of correction by way of compensation month by month may not be necessary. In any case we may put the procedure into practice and mend it on the lines proposed by you in the event of itsbeing found necessary.

2. As regards the variation on the expenditure side (Capital and Revenue) due to the 2 sh. rate and the average rate now proposed to be adopted for 1920-21, I would suggest as the simplest method to charge off the whole of such difference to the Revenue account of the year. Under this arrangement, there would be but two entries in your accounts for effecting all the alterations, viz., one on the Revenue side and onon the Expenditure. I enclose a copy of the Comptroller's letter in which he has expressed his views on the suggestions contained in your letter under reply and I would request you to settle the question of accounting for the differences in the accounts for 1920-21 in the manner which appears to you and to him as the simplest and as likely to cause the least disturbance in the booked figures.

Yours sincerely,

18/11/21

To

S.G.Forbes, Esq., B.Sc.(E.& M.E.),A.M.I.E.E.,

Chief Electrical Engineer to the Govt. of Mysore,

Bangalore.

H 2712 of 18 Novr/12

Copy of the above forwarded with Compliments to the Comptr. reference his D.O.No.1785/596 dated 15th Nov. 1921.

for M.V.Krishnamurthy
Asst. Secy. to Govt.

Revised draft.

Proceedings of the Government of His Highness the Maharaja of Mysore.

Order No. ~~R2751-800~~ G767-21-1 dated 22 Nov 24

The following procedure will be adopted until further orders in the conversion of and accounting for sterling transactions:-

2. Receipts and payments in sterling as reported in the monthly accounts of Messrs. Coutts & Co., will be brought upon the books at an average rate to be calculated for each month in advance. The rate for a month will be the average of the market rates for the period commencing on the 26th of the second preceding month and closing on the 25th of the previous month. The market rates to be adopted for this purpose are those for telegraphic transfers on Bombay and the average rate should be calculated to the nearest anna omitting pies. The Comptroller will advise the average rate thus calculated to the departments having sterling transactions by the first day of the month to which the rate applies to enable them to adopt it in booking their transactions from the commencement of the month concerned ~~to which the rate applies.~~

3. The variations in the rupee equivalents of sterling ~~xxxxxxx~~ balances with

Messrs

GOVERNMENT OF MYSORE.

ELECTRICAL DEPARTMENT

IN REPLY REFER TO No. 4425 ENCLO.

Immediate

DIARY No. 2548

Telegraphic Address: "GOMED"

Codes Used
BENTLEY'S LIEBER'S
A. B. C. 6TH EDITION
BUSINESS TELEGRAPH CODE

OFFICE OF THE CHIEF ELECTRICAL ENGINEER,
(MYSORE, INDIA.)

Bangalore 25th November 1921

19 — 1.
Section
Serial No:

Dear Mr. Krishna Rao,

I am ~~in receipt~~ of your D.O.No.FL-2711 of the 17th November 1921 and am agreeable to the proposals made by you with regard to the adjustment of our sterling transactions commencing from the present official year.

As regards the adjustment of the items of differences for the last year (1920-'21) the total amount of differences due to exchange on sterling payments made on account of the department as intimated by the Comptroller with his memo dated the 15th October 1921 amounted to 1,58,180- 0- 9. The portions of this amount relating to the different sections have been adjusted in the different sectional accounts and the accounts for June Supplemental closed and forwarded to the Comptroller over a fortnight ago. Such portions of them as are kept under suspense in the different sectional accounts, will now be reversed and charged off to a new final Head of Revenue Expenditure styled "Miscellaneous" under the different Major heads namely Administration, Generation and Distribution in the accounts for November 1921 now on hand. This will not materially affect the accounts of this year as the total amount involved is comparatively small. I hope this will meet with your approval.

Yours sincerely,

M. N. Krishna Rao Esq., B.A.,
Financial Secretary,
Bangalore.

BR-AK.

To the Supdt
W. A. D.
No: 11

with
compliments

Pray know
whether the
Vehicle Selector
Engineers
letter No 452
dated 8-12-24.
to the Accepts
has been
disposed
of or not

Mr
15-2-25

No such reference is received in this section

16/2/22

16.2.22 — Supdt

Supdt - Budget Section for want of giving the information required

(16.2.22)

The reference addressed to Comptroller has been discussed & no communication is required to be sent to you.

16.2.22

IN REPLY REFER TO
No. D.O. 4539
ENCLO. two

GOVERNMENT OF MYSORE.

ELECTRICAL DEPARTMENT

OFFICE OF THE CHIEF ELECTRICAL ENGINEER,

Telegraphic Address :
"GOMED"

Codes Used
BENTLEY'S LIEBER'S
A. B. C. 6TH EDITION
BUSINESS TELEGRAPH CODE

Bangalore 8th Decr. 1921
(MYSORE, INDIA.)

Dear Mr.Krishna Rao,

With reference to my D.O.No.355 dated the 20th October 1921, I am attaching herewith a copy of letter which I have to-day written to Mr.Satyaraj Chetty, and I hope that you will agree with me in this suggestion, as it will result in a considerable improvement in the proper maintenance of the accounts in the Electrical Department.

Yours sincerely,

To
M.N.Krishna Rao, Esq., B.A.,
Financial Secy.,
to the Govt. of Mysore,
Bangalore.

SGF-PRN

GOVERNMENT OF MYSORE.

ELECTRICAL DEPARTMENT.

IN REPLY REFER TO
No. D.O. 452
ENCLO. One

Telegraphic Address :
"GOMED."

Codes Used
LIEBER'S
A. B. C. 5TH EDITION.
BUSINESS TELEGRAPH CODE.

OFFICE OF THE CHIEF ELECTRICAL ENGINEER,
(MYSORE, INDIA.)

Bangalore 8th December *192* 1

Dear Mr.Satyaraj Chetty,

RATES OF EXCHANGE - PAYMENTS & RECEIPTS.

With reference to your letter No.552/Books dated the 2nd November 1921, I would inform you that the statement of payments made on behalf of the Electrical Department up to and including the payments made on the 4th October 1921 is the last one I have received, and would like to inform you that the non-receipt of intimation of payment is the principle cause for the greatest amount of confusion in the accounts of the Electrical Department. The main undesirable condition caused by late intimation of payments is that we frequently receive materials in the stores and issue them to the works before we know what the actual cost is. This is a bad condition when the materials are used on departmental work, but it is much worse when the materials are used on other Government departmental works, and of course, when the materials are used on Contribution Works for a private consumer, the situation is almost hopeless.

To overcome this difficulty and to enable me to keep the accounts up-to-date, including store accounts and Works Registers, I would be very glad if you would issue instructions to Messrs. Coutts & Co., to post to us on Wednesday of each week, a statement showing the payments made on our behalf, together with receipts for the power bills which will be paid in London, during the week ending with that day. This will enable us to have in my office, within a little over two weeks' time, a

correct account of the payments made against each foreign requisition, which will enable us to work out the correct cost of the article, when it is taken to stock, and will also enable us to charge the works concerned with the correct cost of the article.

I would request you further to consider this intimation, by Messrs. Coutts & Co., as final intimation to the Electrical Department of the payment, and further that the whole amount, so paid, be charged to the Head Quarters Division, and my office will distribute the proper amounts to the various sections concerned at the rates of exchange intimated by you for the month during which the payment was actually made. This will ensure that the different sections have the correct cost of the article at the earliest possible time.

These weekly payments may be intimated to us on the form as per copy attached herewith. I would suggest that a number of these forms be printed and forwarded to Messrs. Coutts & Co. They could, of course, send a copy of this weekly statement to you as well.

An instance of the difficulty under which we are labouring on account of the non-receipt of intimation of payments, is the purchase made of the International General Electric Co., of three 150 K.W. Transformers to be used in the Engine House, Mysore Palace. These transformers were received sometime in April or May and payment was actually made to the Company on the 24th August 1921, but up-to-date intimation has not been received of the exact amount paid. Before the transformers can be installed in the Engine House, it is necessary to have their cost, so as to transfer the amount to the Palace.

I am sending a copy of this letter to Mr. T.N. Krishna Rao, and I hope that both of you will agree with

me in this suggestion and that it can be put into effect immediately. I would like to emphasize that it is also necessary that the receipts should be intimated to us in the same manner, but I do not think any special form is necessary.

Yours sincerely,

SGF-PRN

To

T.Satyaraj Chetty, Esq., B.A.,
Comptroller to the Govt.
of Mysore,
Bangalore.

"COPY"

Please see My Nos 7489/1, 7490/1 & 7491/1 of 1928 and you will see there are 32 items intimation of payment of which have not been received by us.